

Dear Judge Drain,

I am contacting you today because as a recently retired salaried employee I have already lost my health care and potentially turning my pension over to the PBGC would be devastating. Based on a deteriorating business environment and unprecedented downturn in the US Auto Industry, my boss at Delphi asked me which of my people I was going to eliminate. I determined that my wife and I could get by on my pension and her salary. I sacrificed myself to save a fellow employee. Since that time my health care has been eliminated as a benefit and my wife has lost her job. I am now paying my health care as well as other expenses from my pension. If it is turned over to the PBGC my pension will be cut almost in half.

When DSRA's Paul Dobosz met with Mr Bloom in Washington as part of the salaried automotive retiree group late in April, he indicated that preservation of pension plans was a high priority. It seems as though the prevailing thought now is to let the company turn their backs on the group of people that sacrificed the most to keep the company afloat, the salaried employees.

What makes this situation even more difficult to understand is the proposal to allow the Delphi Hourly Employees to be absorbed by the GM Pension Plan and not cover the Salaried Employees, many of whom have worked for 2/3 of their careers or longer as GM Employees. This seems to be unethical and potentially discriminatory. At the very least, what is happening to the Salaried Delphi Employees is just not right. Canceling our health care was a severe blow. Defaulting on our pensions would be devastating.

**Here is a summary of facts concerning the current situation:**

- The Delphi Salaried Pension Plan is underfunded by approximately \$2 billion which Delphi is unlikely to be able to make up anytime soon.
- **Virtually all of the plan's participants worked over 2/3 (25+ yrs) of their career as GM salaried employees some spending as little as a few months as Delphi employees prior to retirement.**
- The GM salaried pension plan is far better funded than the Delphi plan so folding the Delphi salaried pension plan into GM's plan is a reasonable move from both a financial and ethical standpoint.

**We believe that what we propose is in the best interest of all stakeholders in the GM/Delphi restructuring process for the following reasons:**

- Delphi salaried retirees have already suffered disproportionate losses with respect to their auto industry peers and should at least have their pensions preserved.
- Delphi cannot emerge from Chapter 11 without resolving the salaried pension issue therefore they must either turn pensions over to PBGC or return them to GM from where the original liability came.
- PBGC currently holds liens on many assets that Delphi needs to sell to emerge from Chapter 11. This action would clear those liens enabling Delphi to proceed with its reorganization.
- GM currently intends to purchase several of the Delphi assets with PBGC liens. This action would also allow those acquisitions to proceed unimpeded.
- PBGC will avoid the assumption of another large underfunded pension plan.
- The US Treasury will collect additional taxes on the increased pension amounts paid to retirees over the lifetime of the annuities.

In closing, I ask you to use your considerable influence in the restructuring process to achieve the transfer of the Delphi Salaried pension plan back to GM from where it originated. GM has played a significant role in Delphi's salaried retirees' current troubled situation starting with the Separation Agreement, imposing their handpicked management team, and saddling Delphi with non competitive supply contracts. I hope you will recognize that the deck was stacked against Delphi's salaried retirees at the spinoff and do what is both reasonable and right.

Sincerely,

*Kenneth B. Hollis*